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SIPDIS

SENSITIVE

FOR NEA, NEA/ELA, NEA/PPD, AND DRL
NSC STAFF FOR POUNDS
USAID FOR ANE/MEA (DUNN), ANE/TS (GOLD), AND DCHA/DG
(SCHULZ)
TUNIS FOR MEPI (MULREAN)

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TAGS: [PGOV](#) [KMPI](#) [PREL](#) [EG](#) [PDEM](#)

SUBJECT: PROGRESS OF DEMOCRACY AND GOVERNANCE ASSISTANCE IN EGYPT

REF: A. CAIRO 2524

- [1](#)B. CAIRO 2198
- [1](#)C. CAIRO 1703

Sensitive but unclassified. Please protect accordingly.

Summary

[1](#)1. (SBU) Post is moving to implement an ambitious program of directly-funded democracy and governance (D&G) activities in Egypt, using USAID and other resources. Implementation of MEPI-funded D&G projects is a key component in this process. Post signed a new directly-funded D&G grant on March 3 using USAID funds (ref C). With NEA/PI support, post has finalized the five MEPI grants that were also announced on March 3. The range of D&G activities underway and planned here has the potential to play a significant role in supporting political reform. In a related development, post and GOE representatives convened the first meeting of the eight-member Democracy and Governance Consultative Group on March 24 (ref B). Per our agreement with the GOE, establishment of the Consultative Group provides an advisory forum for consultations on direct U.S. funding of democracy and governance activities by Egyptian civil society organizations. We would welcome the Department sending a representative to observe the next Consultative Group meeting. End summary.

MEPI Support for D&G

[1](#)2. (SBU) With the assistance of visiting NEA/PI Grants Officer Marie Moser, post finalized grants for the five MEPI-funded civil society projects that Ambassador Welch announced March 3. (Four of the grants were signed April 4-5, and the fifth grant will be signed April 10 when the responsible NGO official returns to Cairo.) These D&G activities can now move to implementation. Post looks forward to working with NEA/PI to identify additional MEPI programming opportunities in Egypt, especially in the democracy arena.

Additional D&G Plans

[1](#)3. (SBU) Post directs and coordinates USG resources and plans for D&G assistance in Egypt using our long-standing Institutions of Democracy Working Group (IDWG), which is chaired by the Charge with the active participation of USAID, Public Affairs, and our combined Economic-Political (ECPO) Section. The IDWG is currently devoting particular focus to USG promotion of free and fair elections in the presidential and parliamentary polls scheduled for September and November [1](#)2005. Drawing largely on USAID-Egypt resources, post is also proceeding with direct funding to civil society organizations in a number of areas related to D&G. Using its Annual Program Statement mechanism (APS), which is advertised on the USAID website, USAID-Egypt has solicited 40 concept papers, which, if funded, would have combined value of \$17.5 million. The concept proposals by civil society organizations focus on media monitoring, human rights training, promoting women's political engagement, training the next generation in democratic thought, NGO capacity building, decentralization, and promotion of free and fair elections. As of April 4, USAID had reviewed 31 concept papers and is exploring funding for 13 of them. It is giving priority to elections-related proposals, including election monitoring. USAID is also providing assistance to Egyptian civil society organizations for proposal preparation and development of necessary financial systems.

[1](#)4. (SBU) Looking ahead to this year's elections,

USAID-Egypt has developed a scope of work in consultation with USAID Washington to solicit proposals for elections technical assistance. The scope of work notes that conditions in Egypt are fluid, but that openings might exist to provide technical assistance on voter education, candidate training, strengthening of the yet-to-be established election commission, and election monitoring. Based on the situation at the time of arrival of the contractor, Embassy Cairo would determine the activities on which the contractor would work. The technical assistance will occur under an Indefinite Quantity Contract, a pre-competed procurement instrument. USAID will soon share the scope of work with the two potential bidders, Development Associates International and the International Foundation for Electoral Systems. This activity should begin by late May or early June.

15. (SBU) The GOE is also reviewing USAID's proposal under the D&G Strategic Objective Agreement to fund additional governance activities in criminal justice, family justice, and comparative legal education. USAID is also seeking an implementing partner for a proposed media program (with training and election reporting components), and is developing a decentralization of local governance program. USAID-Egypt plans to obligate these activities with the GOE during the current fiscal year through amendments to the Strategic Objective Agreement.

16. (SBU) Supplementing MEPI and USAID resources described above, post's IDWG also will soon have the ability to draw upon a 632(a) transfer (formerly known as the Participating Agencies Support Agreement--PASA--funds) from USAID to the Embassy to provide additional small grants in support of D&G and other MPP goals. The 632(a) funds (\$900,000 for the current fiscal year) have been delayed due to technical problems in the interagency transfer process, but we are working with USAID to resolve this issue. Also using the 632(a) funds, we will be able to expand public diplomacy exchange and information activities that support USG D&G goals in Egypt, including 2005 elections activities.

DRL Activities in Egypt

17. (U) Thanks to a recent visit by DRL's Ramiro Martinez, post has gained an improved understanding of DRL-funded projects in Egypt, which currently include innovative efforts by the American University in Cairo aimed at supporting Egyptian human rights groups; a Catholic Relief Services program designed to promote rural women's rights; and an Internews project aimed at strengthening regional media. Post looks forward to continued coordination with DRL to determine additional DRL funding opportunities.

First Meeting of the Consultative Group

18. (U) In a development related to the March 3 announcement (refs A and B), all members of the Consultative Group (complete list in ref B), with the exception of Dr. Abdel Moneim Said, attended the March 24 meeting. USAID Director Ellis represented the USG. Ellis provided the March 24 meeting with a briefing on the purpose of the Consultative Group and the agreement between the GOE and USAID on direct funding of democracy and governance assistance to Egyptian non-governmental groups. Ellis reiterated that the Consultative Group was an advisory body that had no decision-making power. He said that the Consultative Group is a channel for sharing Egyptian ideas about democracy and governance programming with the USG, and vice versa. Ellis noted that USAID would not be able to implement all of the ideas generated by the Consultative Group, nor would it be the only source of USG D&G ideas for Egypt. The members of the Consultative Group appeared completely in agreement with Ellis's description of their task.

19. (SBU) The Consultative Group agreed that Mona Zulficar will act as group rapporteur during the first year of operations. The Consultative Group plans to meet on the last Tuesday of each month for sessions lasting 90 minutes to 2 hours. Post encourages the Department to send a representative to observe the April 26 or May 31 session of the Consultative Group.

110. (SBU) USAID Director Ellis agreed to provide the April 26 meeting with an overview of USAID D&G activities in Egypt. MIC's Ambassador Badr clarified for the Consultative Group that its consultations will focus on USG direct-funding of non-governmental organizations, and not the entire D&G portfolio of USAID-Egypt.

111. (SBU) The establishment of the Consultative Group removes a procedural objection that the GOE had voiced about USAID direct funding of D&G activities by Egyptian civil society. The Consultative Group can potentially serve as a

source of innovative ideas for democracy activities, as well as allay the concerns of the GOE about the implications of USG direct funding of these activities. The actual utility of the Consultative Group will only be revealed in the outcome of future meetings; regardless, its establishment supports our goal of rolling out a wide range of directly-funded D&G activities, which should in turn strengthen Egyptian civil society.

Looking Ahead

12. (SBU) Post believes that activities and plans described above in paragraphs 2-7 represent significant progress during recent months as the USG has sought to support political reform in Egypt. In the months ahead, we will need to consolidate and build on this progress, by working to ensure the success of the existing activities and developing new initiatives to respond to the evolving political environment (ref A). Post believes that additional progress in developing civil society D&G initiatives in Egypt will complement and build on existing GOE reform measures (such as the Alexandria Reform Conferences, which have emphasized the important role of civil society). In addition, media coverage of USG support for civil society in Egypt, even when negative, draws considerable attention in the rest of the Arab world.

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